

EQUITABLE ASKS RELIEF. FILES REPLY TO MAYER.

Society Admits Charges Against Directors and Officials.

An answer was filed yesterday by the Equitable Life Assurance Society to the suit instituted against it by Attorney General Julius M. Mayer, in behalf of "The People of the State of New-York." To the surprise of all concerned, the society, as now constituted, joins with the State in its prayer for relief. The startling admission is made in the answer that certain officials of the Equitable have been guilty of improper and unlawful acts, both in respect to matters specified in the complaint and otherwise. The society, according to its answer, also joins with the State in asking that the courts pass upon the most involved question of the society's enormous surplus.

The answer was filed yesterday with Attorney General Mayer, at his office in Albany. In all, thirteen charges are answered by the directors. They admit the \$250,000 loan to the Dewey Improvement Company. They admit the \$885,000 loan of the Mercantile Trust Company, but waive responsibility in this loan so far as the board of directors is concerned, and indicate Messrs. Alexander, Jordan and Deming as the persons having the most intimate knowledge of these transactions.

The charge that excessive salaries were paid to officers of the Equitable is not directly answered, but admission is made that, under guise of salaries, excessive fees were given to certain Equitable officials who were also directors in other companies. In defense the answer states that these practices were not known to the whole board of directors.

Outlining their belief as to the best policy to pursue in fixing the blame for the Equitable scandals, the directors say, first, that the blame for alleged cases of misconduct will be found to rest on individual officers, and not on the directors as a body. Having made this explanation, the answer then admits in a general way the wrongdoings charged.

MORTON VERIFIES ANSWER.

The final paragraph of the answer, which is especially significant when it is understood that Paul Morton, while not a defendant, verified it as president, reads:

In respect to many of the matters and things set forth in the complaint this defendant is imperfectly informed, though believing that many of the material allegations are substantially true, and that the defendant's conduct and the conduct of its officers and directors, and the conduct of its important committees, both in respect to the matters specified in the complaint and in other respects, this defendant has been generally negligent.

This defendant is now actively engaged in making a thorough investigation of all said matters of waste and misconduct, with a view to restoring the rights of the society against all persons liable in respect to it, by way of reparation. Wherefore, this defendant joins with the plaintiff in this action, and asks the court to grant a summary judgment in its favor on the ground that the defendant is negligent.

The charge that premises in Broadway were leased to the Equitable Life Assurance Society, and that the lease was made by James H. Alexander, William Alexander, Charles E. Tarbell, Valentine P. Snyder, Thomas D. Jordan, Charles B. Alexander, Henry H. Winthrop, Alvin W. Kreech and William H. Hyde, James W. Alexander, William Alexander, George E. Tarbell, Valentine P. Snyder, Thomas D. Jordan, Charles B. Alexander, Henry H. Winthrop, Alvin W. Kreech and William H. Hyde, is admitted, but it is denied that the lease was made for the purpose of enabling the society to pay dividends to its stockholders, among whom were James H. Hyde, James W. Alexander, William Alexander, George E. Tarbell, Valentine P. Snyder, Thomas D. Jordan, Charles B. Alexander, Henry H. Winthrop, Alvin W. Kreech and William H. Hyde.

With certain reservations, admission is then made that the capital stock of the Missouri Safe Deposit Company was acquired by the Equitable society, which paid \$250 a share for shares of a par value of \$100. The reservations in favor of the Equitable in connection with this charge include an assertion that these allegations are true in respect to certain of the Equitable officers, but that the alleged purchases were never known to the whole board.

The reply admits excessive and unwarranted loans to agents. The directors further admit that the officers who permitted improper advances to agents may have been guilty of grave errors of judgment, but assert that they have no information sufficient to form a belief that these officers were knowingly guilty.

Instances are cited in which the system of making advances to agents is necessary and proper, within reasonable limits. The consolidation of the Western National Bank of the City of New-York with the National Bank of the United States of New-York, by which the Equitable society lost money and some of its directors made a profit, is also admitted. The directors say, however, that the responsibility must be divided among those individual defendants who "directly participated in, or had, or by reason of their official duties and position should have had, knowledge of the transactions."

The table of alleged improper salaries to Equitable officials which was embodied in the State's charges is declared to be a true statement of the figures. A direct admission is then made that these sums were paid without sufficient vouchers, or audit, but the directors say their opinion is reserved as to whether "such sums were large, and in all cases unwarranted."

Admissions of greater latitude, however, are made on the subject of pensions, and to the charges that money, under the guise of fees, was received by directors and stockholders who were simultaneously officers of the Equitable and other corporations. After admitting that these moneys were received, as charged, the reply states:

Many of these defendants were ignorant of said transactions, which were not of a character necessarily known to the whole board of directors.

Further on the reply states: "Some of said pensions were found to be justifiable, others excessive, and some improper." Denial is made of any knowledge or information sufficient to form a belief concerning the payment of attorneys' fees which were disproportionate to the services rendered.

ADMITTS THE \$885,000 LOAN.

Taking up the \$885,000 loan of the Mercantile Trust Company, an admission of its existence is made, but the directors deny that they improperly permitted this transaction, and say:

These transactions never came before this defendant's board of directors, and, as this defendant is informed, and believes, were known to the board of directors.

Continued on second page.

\$36.35 TO COLORADO AND RETURN.
Via Erie Railroad, Information, 29-112 Broadway,
N. Y. 222 Fulton St., Brooklyn-Advt.

PRESIDENT ON PLUNGER. UNDER WATER 50 MINUTES

He Pulls the Lever and Runs the Boat—"Ticked to Death."

(By Telegram to The Tribune.)
Oyster Bay, Aug. 25.—President Roosevelt went down in the submarine boat Plunger this afternoon while a strong northeast wind kicked up a nasty sea and sent the whitecaps rolling high over the bay. He was in the vessel while it made several dives, and was under water altogether fifty minutes.

He left Sagamore Hill about 3 o'clock, and took the Sylph's launch, the Dart, which carried him to the submarine, lying beside the tug Apache. The President went aboard at once and the scuttle was closed. Accompanied by the Apache, the boat proceeded up the Sound to a point opposite the entrance to Oyster Bay. There the Plunger was put through all of her paces for the benefit of the President. She dove, she reappeared on the surface, she went forward and then reversed her engines, both above and below the surface. Finally, every light was extinguished and the boat went through many of her performances in total darkness.

No one except President Roosevelt and Lieutenant Nelson, commander of the Plunger, had an inkling of his intention of taking a trip in her this afternoon, and certainly no one dreamed that the President would go beneath the surface in the face of a breeze which sent waves five feet high rolling over the green deck of the boat.

A member of the crew who visited the village after the trip said that the President "ran the boat" most of the time that he was aboard and beneath the surface of the water.

"The President pulled the lever that controls the whole machinery," said one of the Plunger's sailors. "He was tickled to death with everything, and seemed to catch on in a jiffy. He worked the levers that let the water in fore and aft, guided her, started her, stopped her, pressed the button that put out the lights and then lighted them again."

Altogether the President was on board for three hours, fifty minutes of which were spent beneath the surface.

The first intimation that Acting Secretary Barnes had of the trip was at 9 o'clock this evening, when he called up Sagamore Hill to learn the programme for to-morrow's expedition, when the President will view the Plunger from the Sylph. The President announced the plan of the manoeuvres, and added:

"Here's a little story for the newspaper boys. I went out on the Plunger this afternoon myself. I went down in her, and was immensely impressed with the boat and with the way in which she was handled."

The President then described to Mr. Barnes the various movements of the boat while he was on board. A depth of thirty or forty feet was reached before the Plunger struck bottom. Then she came to the surface, dove porpoise fashion, that is, came to the surface for four or five seconds, long enough for the man in command to sight an enemy, and dove again. The Plunger reversed her course in the space of a minute, came to the surface, dove half way to the bottom, and there remained motionless, to show how, if necessary, the boat could remain for hours waiting for a blockading squadron to reach a given point. The lights were put out, and the boat was manoeuvred in the darkness to show how thoroughly the crew knew their business, and that they could work perfectly without the aid of a light.

After the manoeuvres the Plunger was brought back to her anchorage below Sagamore Hill. Before leaving the submarine, President Roosevelt shook hands with Lieutenant Nelson and the ten members of his crew, and complimented them on their skill and the ease with which they worked their boat.

ARRESTED FOR PEONAGE.

Five Planters Charged with Offence Against One Negro.

(By Telegram to The Tribune.)
Memphis, Aug. 25.—Five Lafayette County, Miss., planters, charged with peonage, have been arrested by federal authorities in that State. The five offences were committed on one Negro. The white men seem to have held and worked by turns. Three of the planters are wealthy brothers, owning a sawmill, as well as plantations. They worked the negro in the mill and farms, turning him over, it is said, to the other two, when they needed him. It is alleged that they said they were holding and working the man for debts due the five. This is the first case in that section.

SCENIC RAILWAY CRASH.

Pleasure Seekers in "Dragon's Gorge" Painfully Injured.

A rear end collision of two cars in "The Dragon's Gorge," the new scenic railway at Luna Park, nearly threw the crowd into a panic last night at 7:30 o'clock, and resulted in painful injuries to a dozen persons.

The collision came without a second's warning. A car loaded to its capacity came down the second incline with a terrific impetus, and crashed into the car ahead. The shrieks of those who were in the cars were heard by the passengers on passing cars, and in a few minutes the crowd about the place was on the verge of panic.

The accident was caused by slippery tracks. Dr. Clay and Dr. Morrison, of the Coney Island Reception Hospital, treated the injured, who were later sent to Manhattan in carriages. No one was seriously hurt.

STRIKE ON GOVERNMENT.

Ironworkers Stop Construction of United States Lock.

(By Telegram to The Tribune.)
Pittsburg, Aug. 25.—The United States government has taken cognizance of the strike of the employees of the American Bridge Company. The workmen here have made an attempt to stop the government work at Lock No. 2 on the Monongahela River. In fact, the claims made by the strike leaders here are that they have stopped the work.

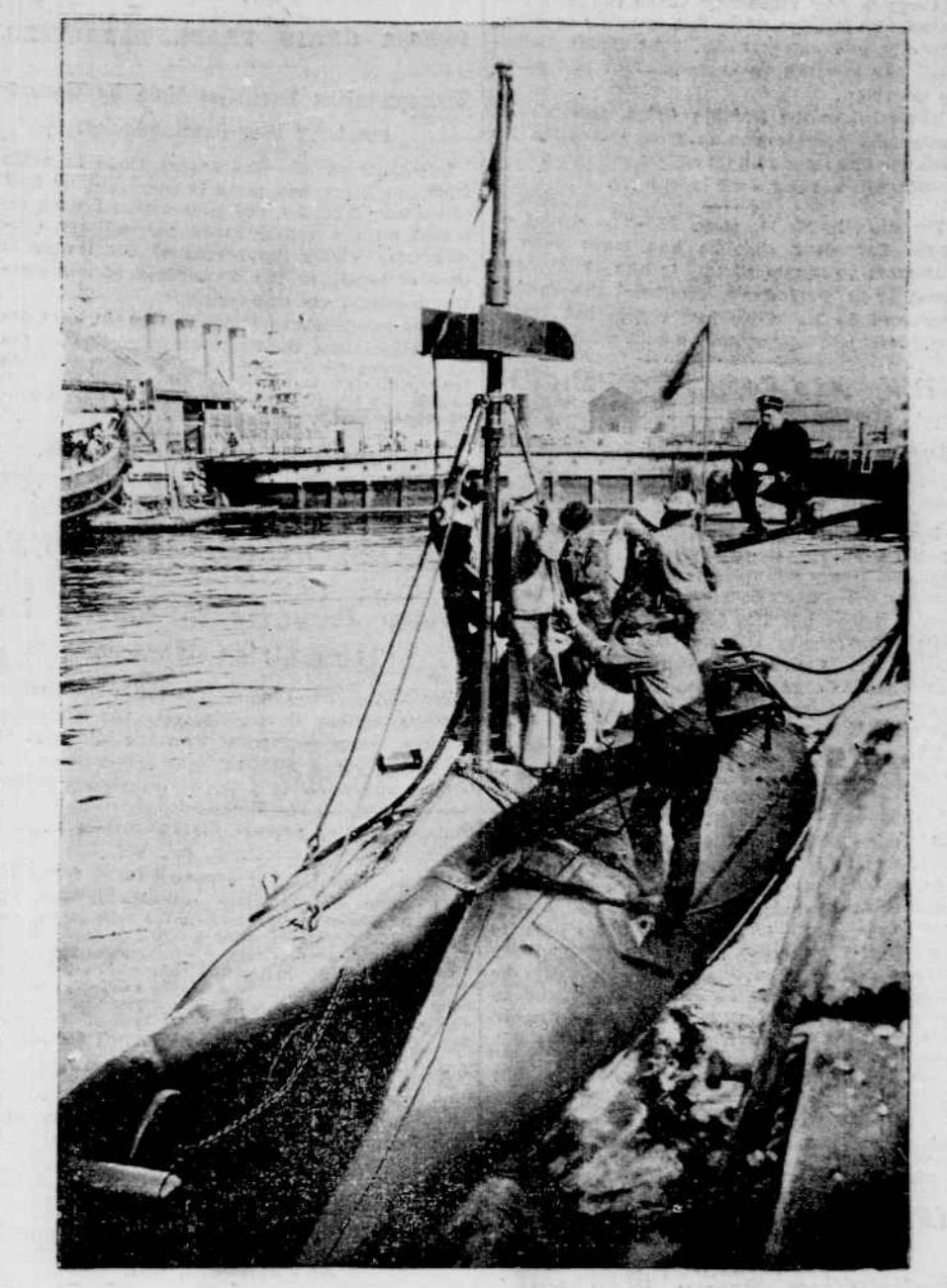
In any event, Major W. L. Sherr, in command of engineers at Pittsburg, has taken the case up and has had some of the strike leaders before him. As there are only forty-three members of the Brotherhood of Ironworkers in Pittsburg directly affected by the strike, the government will hardly allow the work to be stopped entirely. The strike leaders have demanded that the government take its work out of the hands of the American Bridge Company.

One Night to Chicago

By the Twentieth Century Limited of the New-York Central Lines. Leave New York 12:30 P. M. arrive Chicago 8:30 next morning. The fastest train and mile ride in the world.—Advt.



THE SUBMARINE PLUNGER. In which President Roosevelt went down three times yesterday at Oyster Bay.



E. S. HOLMES, JR., INDICTED PLAN TO IMPEACH MAYOR.

Conspiracy to Defraud the Government the Formal Charge.

Washington, Aug. 25.—Edwin S. Holmes, Jr., of this city, until recently the associate statistician of the Department of Agriculture, but who was dismissed as an outcome of the investigation of the leakage in the cotton crop reports, has been indicted by the grand jury on a charge of conspiracy to defraud the government. This indictment was made to-night by United States District Attorney Morgan H. Beach just after he had returned from New York, where he has been instrumental in causing the arrest of Frederick A. Peckham, the New-York broker, at Saratoga, and Moses Haas, of New-York.

There are two indictments covering the charges against the three men. Mr. Beach said to-night that Holmes, who has been away from Washington for some time, will be here to-morrow morning to answer to the indictment.

Section 5440, of the Revised Statutes, under which Holmes is indicted, and which, it is understood forms the gravamen of the charge against the three men, provides that if two or more persons conspire either to commit any offence against the United States or to defraud the United States in any manner, and one or more of such persons do any act to effect the object of the conspiracy, all the parties to such a conspiracy shall be liable to a penalty of not less than \$10,000 and not more than \$100,000 and to imprisonment for not more than two years.

The report of the Secret Service agents on the charges alleging that advance information regarding the cotton crop reports had been given to cotton brokers in New-York asserted that Holmes had communicated advance information to L. C. Van Riper, a New-York broker, and Moses Haas, of New-York, whom Mr. Van Riper said, acted as a go-between in conveying information from Holmes to other New-York brokers. Mr. Van Riper, according to the report of the Secret Service agents, said he became acquainted with Holmes in New-York in August, 1904, through a "mutual friend." According to this testimony, Holmes told Van Riper that he could get information concerning the government crop report, principally through the reports of the general agents and their reports to the State agents. Van Riper, it is alleged, said Holmes furnished him with information from time to time, for several months in advance of the publication of official figures, and that the information furnished by Holmes corresponded exactly with the figures afterward published as the official crop report.

After the submission of the report of the Secret Service agents, Holmes was promptly dismissed, and later the testimony taken by them was turned over to the Department of Justice, with a view to the criminal prosecution of the persons alleged to be involved in the leakage.

MR. HAAS SURRENDERS.

Held in \$10,000 Bail for Hearing in Cotton Leak Case.

Moses Haas, indicted by the Federal grand jury with Frederick Peckham for alleged complicity in the cotton leak scandals, surrendered himself yesterday to United States Marshal Henkel.

The complaint against Haas charges a violation of Section 5440 of the Revised Federal Statutes. It says that Edward S. Holmes, Jr., entered into an unlawful conspiracy with Haas and Peckham to divulge to them certain figures and facts in advance of the published cotton crop reports. In furtherance of this conspiracy, the complaint sets forth, Holmes sent on August 6, 1904, a telegram to Louis C. Van Riper, of this city.

The April term of the Federal grand jury indicted Holmes, Peckham and Haas, and bench warrants were issued on August 22. When Haas was formally arraigned before Commissioner Hitchcock his lawyer, Mark Alter, said that, in the absence of a Federal judge, he did not wish to go further into the case than the fixing of bail, and asked for an adjournment until Monday, when Haas will appear before Judge Holt, in the United States District Court. Bail was fixed at \$10,000. Aaron Hirschberg became bondsmen.

Mr. Wise, the Assistant United States District Attorney, in speaking of the case, said that he did not know where Holmes was now. Mr. Haas declined to talk about the case, further than to say that he merely waited to consult his lawyer, when he learned of the warrant for his arrest, before giving himself up. He denied the accusation, and said that the trial would show him to be wholly innocent.

It is expected that the government will ask for a warrant of removal to Washington, when the formal arraignment before Judge Holt takes place on next Monday. Mr. Alter would not say whether he would oppose the granting of such a warrant.

CZAR SENDS HOPEFUL REPLY.

His Answer to President's Message Said to Be "Partially Responsive."

SEARCH FOR SOLUTION UNRELAXING.

Dispatches Continually Passing Between Oyster Bay and Tokio and St. Petersburg—Baron Kaneko Again Visits the President.

Portsmouth, N. H., Aug. 25.—The Associated Press is permitted to announce that Emperor Nicholas's answer to President Roosevelt's latest appeal was partially responsive.

"DOOR STILL OPEN."

M. Witte, However, Does Not Think Future Bright.

(From a special correspondent of The Tribune.)
Portsmouth, N. H., Aug. 25.—"The door of peace is still open, but I cannot say that the future seems bright. Really, there has been no change in the situation during the last twenty-four hours. The two cable dispatches which I received last night from St. Petersburg did not alter the situation in the slightest."

This brief statement, made by M. Witte this evening, practically sums up the news at Portsmouth, St. Petersburg, Tokio and Oyster Bay having become for the time the real news found.

Speaking privately, M. Witte and Minister Takahira both expressed the opinion that the negotiations would fail. M. Witte has even said that he believed the next meeting of the plenipotentiaries would be the last. No definite decision regarding the next meeting has been reached. M. Witte has suggested that the conference convene at 9:30 o'clock to-morrow morning. Baron Komura replied that 3 o'clock to-morrow afternoon might do as well. It is also possible that the next session will be postponed until Tuesday.

The sensation of the day has been the denial of the Lamsdorff interview, which denial has assumed many forms, while in itself it has served to throw doubt over all news cabled from St. Petersburg. The reported reply of the Czar to Ambassador Meyer has drawn from the Japanese a protest against the suggestion that they entertain the slightest desire for fresh territorial conquests, and they emphasize the fact that the war grew out of Russia's repudiated promises, and that even now they seek only to recover the cost of that war and an insurance against a repetition by Russia of the aggressive policy which forced the war.

A leading Japanese, commenting on the special dispatch to this morning's Tribune, remarked that it "contained more fact than poetry," and admitted that even the most successful continuation of the war might not enable Japan to collect an indemnity from Russia.

"The Russians may do as you suggest," he said. "They may yield Vladivostok, as they yielded Port Arthur; they may retreat to Lake Baikal, or their army may be annihilated, and still they may refuse to pay an indemnity. Yet until Russia—not alone the Emperor, but all Russia—realizes that she is defeated, there can be no safety for Japan from her further encroachment."

The prospects for peace, so far as they can be judged from the exterior, are certainly dubious this evening, but there is really no change from the situation of last night, and all the common sense reasons given in last night's dispatch in support of the proposition that the negotiations should end successfully still hold good.

Baron Komura and several members of the Japanese mission visited the cotton mills at Manchester to-day, accompanied by Governor McLane. Baron Rosen returned from Magnolia in the forenoon. M. Witte remained in his apartments throughout the day, and Minister Takahira did the same.

The extreme heat of yesterday has given place to a cool wave, but the mosquitoes constitute as great a pest as ever, working indoors and out twenty-four hours a day, and wasting no energy in singing, merely stinging continuously.

DECIDED HOPE OF PEACE.

St. Petersburg Told That Agreement in Principle Has Been Reached.

(By The Associated Press.)
St. Petersburg, Aug. 25, 2:20 a. m.—According to information coming from a member of the imperial family, a dispatch was sent to M. Witte yesterday which is considered at Peterhof as offering a decided hope of peace.

The "Slovo's" Portsmouth correspondent, reporting the arrival of an "eagerly expected dispatch," quotes M. Witte as saying that his endeavor to influence St. Petersburg was more successful than he expected.

The correspondent adds that there is ground for hope, as an agreement in principle has been reached, and the question now hinges on the amount of the sum.

DENIAL BY M. WITTE.

Says Story from Peterhof Is False and Without Foundation.

Portsmouth, N. H., Aug. 25.—M. Witte, when shown a dispatch from St. Petersburg, purporting to quote a member of the imperial family on the subject of peace, and reciting a portion of the dispatch sent by the Portsmouth correspondent of the "Slovo," said this evening:

"The statements are absolutely without foundation. They are false from beginning to end. They have the same foundation as the interviews with Count Lamsdorff. They are continually sending out those things which are without any basis whatever."

It is feared here by the advocates of peace that the signing of the new treaty between Great Britain and Japan, which convention is much broader than that now in force, may have the effect of materially strengthening the attitude of the government at Tokio.

"RESTS WITH RUSSIA."

Baron Kaneko Again at Oyster Bay.

(By Telegram to The Tribune.)
Oyster Bay, Aug. 25.—Baron Kaneko, the mysterious agent of the Tokio government, came to Oyster Bay this morning for the purpose of learning the answer of the Czar to the last proposition offered by Japan through President Roosevelt. Though very guarded in his language, he made it quite plain, after his talk at Sagamore Hill, that Japan has made all the concessions to Russia that she deemed consistent with justice, and if peace is the result from the Portsmouth negotiations, the Czar's envoys must agree to the terms laid down.

"What we want is peace, with justice for Japan; peace, with honor for Russia," was the way Baron Kaneko described the attitude of Tokio.

Baron Kaneko came in on the 10:11 a. m. train, in the midst of a downpour of rain. It was the sixth time he had visited Oyster Bay since the peace negotiations began. As he walked through the station to reach Acting Secretary Barnes's carriage, which was waiting him, Baron Kaneko was asked his opinion of the "outlook for peace."

"It is like the weather," he said, pointing up at the weeping clouds.

"What do you think of Count Lamsdorff's statement in which he declares that Russia will neither pay a cent of indemnity nor give an inch of territory to Japan?"

"I think he is making a mistake," the Baron replied.

"Do you think it is a bluff?"

"Well, it seems to be official, so I suppose we will have to swallow it," he said as he climbed into the carriage.

After Baron Kaneko returned to the station from his visit to the President's home he further explained Japan's attitude.

"Why should we make any more concessions?" he asked. "Have we not done everything that could be expected of us? Up to date the war has cost Japan 1,800,000,000 yen. That is \$300,000,000. The papers say that we offer to settle for \$600,000,000. Is not that very reasonable indeed?"

"Do you think it will be peace or war, Baron?"

"It looks like a deadlock," he replied.

"Then you think there is no chance of an agreement?"

"Oh, how can I tell!" he exclaimed. "To-day you see the rain and the dark skies. It is like the outlook at Portsmouth. But to-morrow the rain may have ceased and the skies may be smiling. So it may be at Portsmouth. It all rests with Russia. She wanted peace. She may have it. All we want is peace, with justice for Japan; peace, with honor for Russia."

Baron Kaneko then changed the subject to the tremendous influence wielded by the newspaper men. "You are more potent than statesmen," he said. "You can write things that will make peace or war. Why don't you go back to your offices and write for peace?"

"Why don't you tell us what to write?" retorted the blarneyed writers.

"Oh, I cannot do that, for I am nobody," replied the self-effacing Baron. "Go to Portsmouth. The envoys will meet at 3 to-morrow afternoon."

"Do you expect to visit the President again?"

"Who knows?" he asked, with a shrug of his shoulders.

JAPAN MAY TAKE LESS.

Indications That She Would Scale Down Indemnity.

(By The Associated Press.)
Portsmouth, N. H., Aug. 25.—The peace conference seems headed straight for the rocks. Despite the fact that every question of principle involved in the quarrel between the two countries has been settled in favor of the victor, and that in reality only "words and money" still separate them, the negotiations seem on the verge of a final rupture. The air was filled to-night with gloomy forebodings, as superficially everything indicated that to-morrow's session of the conference will prove the last. In the most positive fashion it is declared that no new instructions which would permit him to entertain the consideration of the compromise proposition submitted by Baron Komura on Wednesday, and, therefore, unless Japan has a new proposal to make to-morrow all that seems to remain is for the plenipotentiaries to meet, sign a declaration that the conference has finished its labors, shake hands and part as enemies.

But there are still unknown factors in the situation which in a twinkling might cause a change. The result of President Roosevelt's second appeal directly to Emperor Nicholas has not transpired, and the result of the pressure on Japan to alter the form of her proposal by the elimination of a set price for the northern half of Saghalien is not known. But the indications on both points are not reassuring. The press dispatches from Tokio and St. Petersburg, read with the most intense interest here, indicate an intransigent attitude on the part of both governments. Yet both are anxious for peace, and only "words and money" bar the path.

Probably it is not a question of more than \$200,000,000, yet the Japanese cling doggedly to their demands. Their people at home insist on it. The most competent Japanese authority, who did not conceal his pessimism, when asked to-night whether, for the sake of peace, Japan would yield further, replied: "Read the dispatches from Tokio and draw your own conclusions."

Nevertheless, there is warrant for the statement that they are not as ineluctable as they appear, and from a conversation to-night the

\$250 TO ATLANTIC CITY AND RETURN.

Sunday excursion, August 27, via Pennsylvania Railroad. Special train leaves New-York 6:55 a. m. stopping at Newark and Elizabeth. Returning, leaves Atlantic City 7:30 p. m.—Advt.